

STATE OF IDAHO



DIVISION OF PURCHASING

Guidelines for Developing and Evaluating a

REQUEST FOR PROPOSAL

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GUIDELINES
FOR DEVELOPING AND EVALUATING A
REQUEST FOR PROPOSAL

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1. INTRODUCTION

1.1 Definition and use

Bids and quotes cannot always address the needs of the state. Generic specifications may not be available or difficult or impossible to draft and conventional evaluation for award based on lowest cost bid may not get the product or service required. Many high tech products and complex services cannot be obtained by conventional bidding. The Request for Proposal (RFP) is a solicitation used for situations like these.

The RFP is a formal competitive sealed bid process. The RFP outlines the requirements of the state by describing the purpose, scope, description, minimum requirements or expectations, qualifications or capability of the proposers, evaluation criteria, and other requirements. In the RFP response, the vendor offers a solution for the particular need described in the RFP. The RFP is evaluated according to predetermined weighted standards. After evaluation, discussions with qualified vendors may be allowed to explain or clarify proposals and for a "Best and Final Offer." After completion of the RFP process negotiations may, in some circumstances, be utilized to secure more advantageous terms or reduced cost.

This publication will help you to understand and develop a Request for Proposal and an Evaluation plan. It will present information in the following areas necessary for a successful RFP:

- Preparation
- Creation
- Evaluation

1.2 Some Common Uses of the Request for Proposal

Information Technology: software, hardware, or services relating to such items as imaging, video conferencing, leasing, data management systems, network services, and maintenance and repair.

Professional and Consultant Services: such as artists, accountants, lawyers, nurses, doctors, educators, engineers, architects, technical consultants, auditors, and researchers.

Services: where skills, expertise, and capability must be evaluated such as janitorial, laboratory testing, financial management, artwork and graphic design, travel services and management, and warehousing and distribution.

Products and Delivery Services: such as purchase and delivery of office supplies and laboratory supplies.

2. PREPARATION - PLANNING THE RFP

A successful Request for Proposal requires much planning. No two RFP's are alike and preparing one can be a difficult task. However, a well-written RFP can alleviate many problems. Agencies are invited to involve the Division of Purchasing early in the development of the RFP. The Division can provide assistance and valuable advice. This chapter will discuss several items that need to be considered when planning your RFP, including the following:

- appropriateness of using the RFP process
- planning for adequate preparation and response time

- developing evaluation factors
- deciding to use a pre-proposal conference
- other considerations

2.1 Appropriateness

Is the Request for Proposal format the best method to satisfy your agency's requirements? Generally an RFP is used when the relative skills, expertise, or technical capability of the offerors will have to be evaluated; when cost is secondary to the characteristics of the property or service sought, when the conditions of the service, property or delivery conditions are unable to be sufficiently described in an Invitation to Bid, and when the acquisition is for highly complex or technical property or services and evaluation of the offeror's approach, management capabilities, innovation, or other technical factors are secondary to cost.

You need to examine factors such as: what is the problem or requirement that needs addressed, what solutions are expected, how much money is available for this project, how will the solution affect the agency operations, and how will the agency monitor or ensure contract compliance.

The Request for Proposal is the preferred method for soliciting Professional and Consultant Services.

2.2 Preparation and Response Time

RFP's take a significant amount of time to prepare and review before they are issued. On the average, an RFP will take 60-90 days from its receipt at the Division of Purchasing to contract implementation or product delivery. In your planning, allow adequate time for possible rewriting of specifications, questions from offerors, pre-proposal conferences, for offerors to prepare their proposals, evaluations, and contract award. If an appeal is received, the process can become delayed even longer.

2.3 Statement of Intent or Purpose and Scope of Work

The Statement of Intent or Purpose is a description of the general type of service or goods required. The Scope of Work is a general summary of the work to be performed by a contractor. Developing these brief descriptions first will assist you to begin organizing your thoughts and help you decide on proper evaluation factors.

2.4 Evaluation Factors

It is important to identify all evaluation factors and their relative importance, including price, *early* in the RFP development stages. These factors will be the only way to properly evaluate the proposals and assure that the awarded proposal meets all the requirements of the state. Factors not specified in the RFP cannot be used for evaluating the proposals.

2.4.1 Mandatory Requirements: These are requirements that a vendor must meet in order to accomplish the work outlined in the RFP. They may include such things as proper licensing or accreditation and special insurance or bonding. They are evaluated on a strictly pass-or-fail basis. Make a list of the things that will be absolutely required for a successful offeror to have in order to enter into a contract. Do not include "desired" things or items that could be obtained by a offeror at a later time prior to contract award. Generally, if a offeror fails on any portion of the mandatory requirements, their proposal will be rejected so careful thought is required.

2.4.2 Determine Evaluation Factors: Begin by making a detailed list of the most important aspects of the service or goods required, including cost. Each item on your list is a potential evaluation factor. Arrange the list in sequence of most important.

2.4.3 Assign Point Factors: Assign a point factor to each criterion based on its relative importance. The most important items will naturally be evaluated heavier and have more points available. Points assigned to each criterion may or may not be included in the RFP. Including points makes offerors aware of which items are relatively more important than others can influence an offeror in the preparation of their RFP response.

2.5 Weighting Factors

Typically, proposals are divided in four (4) categories for evaluation; 1) mandatory requirements, 2) technical capability and solution approach, 3) managerial and staff capability, and 4) cost proposal. Mandatory requirements are evaluated on a pass-or-fail basis. Other categories are assigned a weight factor for evaluation. Generally, weights are assigned based on a 60/40 split, with cost equaling 40% and technical/managerial requirements equaling 60% of the evaluation. The percentages can be adjusted (70/30 or 80/20 or other) to reflect the relative importance of cost to the agency. The purpose of adjusting cost factors downward is to assure that the offeror with the best technical response and reasonable costs is awarded the contract and prevent an offeror from "buying" the business by simply having the lowest cost. Generally, weighting factors are not included in the RFP.

2.5.1 Mandatory Requirements: Mandatory requirements are used to determine whether a proposal is sufficiently responsive to the requirements of the RFP. Mandatory requirements are evaluated on a pass-or-fail basis. Proposals that fails to comply with mandatory requirements will usually be rejected and no further evaluation done.

2.5.2 Technical Capability & Solution Approach: The proposal is evaluated as to how well it addresses the solution based on the requirements of the RFP and whether the proposer has the technical ability to provide an acceptable solution. The proposal must show how the offeror plans to approach the task and the steps to be taken to complete the task. The offeror must also show that they understand both the magnitude and importance of the individual tasks to make a convincing proposal.

2.5.3 Managerial and Staff Capability: This category of the evaluation deals with evaluating information such as the offeror's organization, experience in similar projects, resumes of staff to assigned to the project, financial stability, and industry references. To be evaluated, these areas must have been identified in the RFP as evaluation criteria.

2.5.4 Cost Proposal: This should contain all costs to the agency and be presented in the format described by the RFP. For example: the RFP may require detailed costs by tasks and to be acceptable the offeror must present it in that format. Generally, cost proposals are submitted in a separate sealed envelope to be opened only after the evaluation of the technical section of the proposal is complete

2.6 Evaluation Rating Plan - Forms - Scoring Sheets

An Evaluation Plan, including Rating Forms and Scoring Sheets should be developed and submitted to the Division of Purchasing before the RFP is released. The forms list all the evaluation criteria to be individually weighed and scored. Criteria not included in the RFP and listed on the evaluation form cannot be considered for evaluation.

In a typical rating system, the items identified as the most important to the success of the project are given the most points. Cost is usually identified as a percentage of the total available points and cost proposals from all offerors are “normalized” meaning that the lowest cost offeror receives 100% of the points available and the other higher cost proposals receive a percentage of the available points based on their submitted cost.

The following is an example of some typical evaluation criteria and cost normalization used in an RFP with a weighted 60/40 split between cost and technical/managerial merit.

<u>Sample Evaluation Criteria</u>	<u>Points</u>
Understanding of work to be performed (technical merit)	300
Ability to meet time requirements	150
Past performance (experience)	50
Key personnel	50
References	50
Cost	<u>400</u>
Total Points	1000

<u>Sample Cost Normalization</u>	<u>Points</u>
Offeror 1 - Low Bidder at \$26,000 gets maximum points	400
Offeror 2 - Next Low Bidder at \$28,400 gets 91.5% of points (26000 divided by 28400 times 400)	366
Offeror 3 - High Bidder at \$40,000 gets 65% of points (26000 divided by 40000 times 400)	260

2.7 Choosing Your Evaluation Team

Evaluation of RFP responses is best accomplished in a team effort. The evaluation team should be made up of individuals with varied talents and expertise to assure impartiality. The team should have at least one evaluator not associated with the requesting agency. Team members need to be aware of the possibility of an extended time commitment before agreeing to be a participant.

Generally, a Division of Purchasing representative or departmental purchasing representative heads the evaluation team or monitors the process to assure compliance and impartiality. An odd numbers of individuals is usually best (3, 5, 7), but not a requirement. The larger the team, the longer it will take to finish the evaluation process.

2.8 Oral Presentations

In complicated services, it may be beneficial to require offerors to make an oral presentation. When oral presentations are to be considered as part of the evaluation, specific criteria and weighting of the presentation must be developed prior to the issuing of the RFP and be listed as part of the evaluation criteria. Points awarded for oral presentations are added to the proposal points in the same manner as listed above.

2.9 References

When references are to be contacted as part of the evaluation the following information is required:

- List of questions for references
- Instructions to be given to the reference including a numerical scale to be used in rating the offeror.
- A numerical value to be assigned by the evaluator.

References should be contacted only once. This may be by a appointed individual who is not a member of the evaluation team or by a conference call with all members of the evaluation team present. Evaluation score sheets are assigned points and added to the proposal points.

An optional plan for contacting references is to provide potential offerors with a pre-printed reference questionnaire and ask them mail the letter to their chosen references. The references are asked to complete the questionnaire and mail it directly to the state purchasing official cited.

2.10 Pre-Proposal Conference

Consider whether a pre-proposal conference for potential offerors is needed to further explain, clarify, or identify areas of concern in the RFP. These must always be held prior to submission of initial proposals. If using a pre-proposal conference, follow these guidelines:

- 2.10.1 Scheduling a Conference: The pre-proposal conference should be scheduled at a time and date identified on the RFP cover letter. Indicate how many representatives from each company will be allowed to attend (usually a maximum of two). Keep in mind that some offerors may have to travel a distance to attend, so sufficient time should be allowed for offerors to receive the RFP, formulate questions, and make necessary travel plans.
- 2.10.2 Answering Questions: Any questions regarding the RFP should be submitted in writing prior to the pre-proposal conference and be answered by the agency at the meeting. Additional questions may be entertained however, responses may be deferred and provided at a later time. Any oral answer given by the agency is to be considered tentative by potential offerors. Official answers to all questions should be published in writing and supplied to all attendees.

2.11 Other Considerations

2.11.1 Public Notice: RFP are distributed in the same manner as formal, sealed Invitations To Bid, utilizing the Internet as means providing notification to potential offerors.

If you have certain vendors that you want to make sure get a copy of the RFP, please make that request known to the Division of Purchasing at the time the RFP is submitted to the Division for distribution.

- 2.11.2 Amendment, Modification, or Withdrawal: RFP's may be amended, modified, or withdrawn prior to the established due date and time.
- 2.11.3 Late Proposals, Modifications, or Withdrawals: Any proposal, withdrawal, or modification received after the established due date and time at the place designated for receipt of proposals is late. Such late documents may only be considered in documenting a mistake and used to withdraw a proposal due to the mistake.
- 2.11.4 Receipt and Record of Proposal: Proposals shall be opened publicly, identifying only the names of the offerors unless otherwise stated in the Request for Proposals. Proposals and any amendments or modifications shall be date and time stamped upon receipt and held in a secure place until the established due

date. After the date and time established for receipt of proposals, a record of all proposals received shall be prepared to include the name of each offeror, the number of amendments or modifications received, if any, and a description sufficient to identify the supply, service, or property offered. The record of proposals shall be open to public inspection in accordance with the provisions of the Idaho Public Records Act. Proposals and modifications shall be shown only to purchasing agency personnel having a legitimate interest in them.

2.11.5 Mistakes in Proposals:

2.11.5.1 Mistakes discovered before the established due date and time may be corrected by the offeror by withdrawal or modification of the proposal.

2.11.5.2 Mistakes discovered after receipt but before award may be corrected or the proposal withdrawn by the offeror in the following circumstances:

Minor Informalities: Mistakes may be corrected and the correct offer considered only if the mistake and the correct offer are clearly evident on the face of the proposal in which event the proposal may not be withdrawn or the mistake is not clearly evident on the face of the proposal, but the offeror submits proof of evidentiary value which clearly and convincingly demonstrates both the existence of a mistake and the correct offer and such correction would not be contrary to the fair and equal treatment of other offerors.

Withdrawal of Proposals: The offeror may be permitted to withdraw the proposal if the mistake is clearly evident on the face of the proposal and the correct offer is not or the offeror submits proof of evidentiary value which clearly and convincingly demonstrates that a mistake was made but does not demonstrate the correct offer or if the correct offer is also demonstrated, to allow correction on the basis of such proof would be contrary to the fair and equal treatment of other offerors.

2.11.5.3 Mistakes Discovered After Award. Mistakes shall not be corrected after award of the contract.

2.12 **Appeals**

An offeror may challenge or make an appeal in the following areas:

- The specifications (detail of scope of work),
- If their proposal is rejected,
- The finding of the lowest responsible bidder (or offeror receiving the highest number of points in a weighted proposal), and/or
- The determination of a sole source.

All appeals are handled by the Division of Purchasing. The agency may be required to support the need for certain specifications, a sole source request, or the evaluation process.

3. **CREATION - A MODEL RFP FORMAT**

An RFP is made up of several elements, which may vary depending upon the particular RFP. A simple RFP will contain a cover letter from Purchasing, the Conditions and Instructions to Vendors, the State of Idaho Standard Contract Terms and Conditions and the body of the RFP

prepared by the agency and Purchasing. If the RFP involves information technology, the RFP will also contain the Idaho Hardware and Software Terms and Conditions. This model RFP is designed to help agencies in the preparation of the body of the RFP. Care should be taken during the development of the RFP as the RFP document and the offeror's response to it will form the essential part of the final contract. All language needs to be precise and complete.

3.1 Cover Letter

The cover letter will be supplied by the Division of Purchasing. It is automatically generated by DOP's electronic purchasing system at the time of RFP release. The cover letter contains instructions to vendors such as the RFP closing/opening date and time, procedures and requirements for vendor questions, number of RFP copies required, state of domicile information, information regarding trade secrets, F.O.B. requirements, and reference to the Idaho Standard Terms and Conditions. Information regarding Proposal Discussions (Best and Final Offers) and Negotiations are also supplied by the Division of Purchasing in the cover letter.

3.2 Signature Page

While some RFP's issued by the Division of Purchasing may be responded to electronically via Purchasing's internet-based system, the majority of the proposals are submitted manually. The Division of Purchasing includes a signature page that an offeror must manually sign, in ink, and return with the proposal response. Manually submitted RFP's without a signature page are rejected. RFP's submitted electronically via Purchasing's internet-based system possess a digitally encrypted signature and are acceptable without the signature page.

3.3 Title Page

The title page is a simple, single page that identifies the title of the RFP and issuing entity.

3.4 Table of Contents

A Table of Contents should be supplied with the RFP that outlines information included within. The Table of Contents should include at the minimum the following information:

- Schedule of Events
- Standard and Special Terms and Conditions
- General Information
 - Definitions
 - Purpose or Intent
 - Background
 - Method of Payment
 - Contract Term
 - Presentations or Demonstrations
 - Pre-Proposal Conference
- Technical Specifications
 - Specifications (goods) or Scope of Work (services)
 - Scope of Activity (projects)
 - Project Management
 - Deliverables Schedule
 - Support, Training, or Maintenance
- Vendor Requirements
 - Mandatory Requirements
 - Vendor Organization
 - Vendor Qualifications and Experience
 - References

- Financials
 - Resumes
- Proposal Response Format
- Cost Proposal
- Method of Evaluation and Award
 - Evaluation Criteria
 - Discussions and Best and Final Offer
 - Negotiations
- Attachments

3.5 Schedule of Events

A schedule of events is valuable information for potential proposers. It outlines the expected timetable for the procurement process.

Sample:

<u>Event</u>	<u>Date</u>
RFP Release Date	November 3, 2003
Deadline for Receipt of Written Inquiries	November 17, 2003
Written Responses Distributed	November 21, 2003
Proposal Due Date	December 8, 2003 @ 5:00 PM MST
Proposal Public Opening Date/Time	December 9, 2003 @ 10:00 AM MST
Evaluation Period	December 10-22, 2003
Anticipated Contract Award	January 1, 2004

3.6 Standard and Special Terms and Conditions

The cover letter issued by the Division of Purchasing references the Idaho Standard Contract Terms and Conditions and, where required, the Idaho Hardware and Software Terms and Conditions and gives the URL address on the Internet where a vendor can view and download them. The State of Idaho Standard Contract Terms and Conditions contain many of the general contract terms that apply to the RFP. These include the requirements for termination of the contract, a non-appropriations clause, and a term specifying that Idaho law applies to the contract.

Special Terms and Conditions that are specific to the individual RFP being issued such as those for janitorial contracts, lease/time purchases, vehicle leases, price agreements, and/or other miscellaneous terms and conditions are provided by the Division of Purchasing. Any other special terms and conditions required by the agency should be supplied to the Division of Purchasing for inclusion in the RFP, such as unique requirements related to receipt of federal funds or complying to federal or state regulations.

Agencies should review all terms and conditions to consider whether or not they are appropriate for the particular RFP. Agencies and Division of Purchasing should take time to consider the implications of using the standard language in each transaction. Agencies are admonished to work with Purchasing and their assigned legal counsel if they feel that the State of Idaho Standard Contract Terms and Conditions or the Idaho Hardware and Software Terms and Conditions are not appropriate for the particular RFP.

3.7 General Information

- 3.7.1 Definitions: List any terms or definitions, which are specific to the RFP that may not be clear to all offerors. Special attention should be given to information technology terms that may not be clear to all offerors.
- 3.7.2 Purpose or Intent: A statement of intent or purpose relating to the general type of service or goods required, the location(s), and any requirement for specialized personnel, equipment or tools. This information should be sufficient enough for interested offerors to determine whether or not they are able or wish to offer a proposal. The purpose must be a clear and complete overview of everything the agency wants, needs, and requires.
- Suggested Wording: The purpose (or intent) of this RFP is to solicit competitive, sealed, proposals to establish a contract for the (lease, purchase, development, management, etc.) of (description of product or type of service) for the (agency name).
- 3.7.3 Background: Description of the function of the agency that requires the service or goods. Explain why the service or goods are needed and the objectives of the agency. If applicable, describe the current method or system in use and its deficiencies.
- 3.7.4 Method of Payment: The agency should address how payment will be made to the contractor, whether monthly, quarterly, upon specific deliverables, or at completion of project. If applicable, the agency should outline any information required on the invoice or statement, to whom and where it is to be submitted, at what date and time it is due, and any other relative information.
- 3.7.5 Contract Term: Specify exactly the term of the contract, when it begins and when it expires, along with any provisions for renewal.
- Suggested Wording: The contract resulting from this RFP will commence upon the State's execution of the contract and will end (date, months, or years later), with an option to renew for a period of (months or years).
- 3.7.6 Presentations or Demonstrations: If required, explain in detail the format, time, and any other relevant information that offerors would need to know to prepare a presentation or demonstration.
- 3.7.7 Pre-Proposal Conference: Consider whether a pre-proposal conference for potential offerors is needed to further explain, clarify, or identify areas of concern in the RFP.

Suggested Wording: A (mandatory or optional) pre-proposal conference is scheduled at (place and time) on (date) as identified on the RFP cover letter. Each potential offeror may send a maximum of two (2) representatives.

Specific questions concerning the RFP should be submitted in writing prior to the pre-proposal conference. Additional questions may be entertained at the conference, however, responses may be deferred and answered at a later date. Oral responses by the State are to be considered tentative. Written copies of all questions and official State responses will be supplied to potential offerors.

3.8 Technical Specifications

- 3.8.1 Specifications: Used for goods, specifications should list the minimum characteristics and objectives required by the user. They should include issues

such as environmental concerns, product-testing requirements, or other specific concerns relative to the RFP.

- 3.8.2 Scope of Work: Used for services, this is a detailed, step-by-step description of the work to be performed by the contractor, organized to reflect the order in which the work is to be performed. Identify the major task headings and subtasks for performing the work. Describe each task as carefully and with as much detail as possible. Each task should be described in a separate, numbered paragraph, and there should be a deliverable product or measurable stand for completion for each task.
- 3.8.3 Scope of Activity: For long-term projects, this is a comprehensive definition of the exact area(s) to be addressed during the project. Define the working environment. This is a project overview, which closely relates to the objectives, except it will be used to address the areas (geographic, organizational, etc.), in which the project activity takes place. Define both the vendor's and the state's responsibilities.
- 3.8.4 Project Management: Outline how the agency and the contractor will monitor timetables and deliverables or measurable standards for completion specified in the RFP. In a complicated, long-term project, specify who will be responsible for meeting goals, keeping the project within the contracted cost, and keeping the project within the scope of work outlined in the RFP.
- 3.8.5 Deliverable Summary and Schedule: If applicable, establish a general schedule of events or estimated timetable that lists the deliverables or measurable standards for completion in sequential order, beginning with issuance of the RFP to the final expected date of completion of the contract.
- 3.8.6 Support, Training and Maintenance: If required, identify in detail any support, training, and maintenance required.

Under Training and Maintenance the RFP should ask for a fully burdened rate for any cost associated with these services. During evaluation, proposals should be read carefully to be certain of fully burdened rates.

Under Support it may be wise to include language that addresses who is responsible for basic office supplies, equipment (telephones, etc.).

3.9 Vendor Requirements

- 3.9.1 Mandatory Requirements: This section outlines any mandatory requirements that an offeror must meet to perform the work described in the RFP. This may include such things as proper licensing or special accreditation, proof of insurance, bonding requirements, etc. Mandatory requirements are evaluated on a pass-or-fail basis and not evaluated.

Suggested Wording: The offeror must provide the following mandatory information (list the requirements). Failure to provide this information may be cause for the proposal to be rejected.

- 3.9.2 Vendor Organization: The offeror should outline their organization and describe how this qualifies the organization to be responsive to the requirements of the RFP. Examples might include their company size, distribution system, customer service structure, number of employees, technical licenses or certificates relative to the product or service being offered.

Suggested Wording: Describe your organizational structure and explain how your organization qualifies to be responsive to the requirements of this RFP.

- 3.9.3 Vendor Qualifications and Experience: The offeror should describe their organizational and staff experience providing similar services or goods described in the RFP in sufficient detail to demonstrate their ability to perform the functions outlined in the RFP. In long-term projects, ask for their experience, capability, and commitment to perform project management functions.

Suggested Wording: Describe your (or your company's staff) qualifications and experience providing similar services or goods as required in this RFP.

- 3.9.4 References: Industry references may be required and used as an evaluation tool if identified as such in the RFP. A minimum of three references where the offeror has provided similar products or services should be used

Suggested Wording: The offeror shall provide a minimum of three (3) trade references including names of persons who may be contacted, position of person, addresses, and phone numbers where similar products or services similar in scope to the requirements of this RFP have been provided.

Optional Wording: Included with this RFP is a questionnaire that must be sent to any references cited in your proposal response. The questionnaire instructs references to fill out and return the document directly to the Division of Purchasing office. The offeror shall send this questionnaire to a minimum of three (3) trade references where similar products or services similar in scope to the requirements of this RFP have been provided. The offeror shall provide a listing of references where the questionnaires were sent, including names of persons, position of person, addresses, and phone numbers.

- 3.9.5 Financials: A disclosure of financial resources may also be required to assure that the offeror has sufficient resources and stability to complete the RFP project.

Suggested Wording: The offeror shall provide with the RFP response proof of financial stability in the form of financial statements, credit ratings, a line of credit, or other financial arrangements sufficient to enable the offeror to be capable of meeting the requirements of this RFP.

- 3.9.6 Resumes: Resumes may also be used as an evaluation tool.

Suggested Wording: The offeror shall provide resumes for each staff member responsible for design, implementation, project management, or other positions identified in the requirements of the RFP. Resumes shall include education, experience, license, and/or certifications of each individual.

3.10 Proposal Response Format

Requiring all offerors to use the same or similar format when submitting proposals can make the evaluation process much easier and speed the process. You may provide specific directions to the offeror on preparation of the proposal. If used, clearly define the type and nature of the information required in the proposal. The offeror must be made aware that their proposal will not be considered if required information is not provided.

A few suggested formats and wording are:

- The proposal must be submitted in the following fashion [describe]. If the proposal is not submitted in the required format, the proposal will not be considered.
- The proposal shall be submitted under the same cover at the same time, in two (2) distinct sections: a *Business or Technical Proposal* and a *Cost Proposal*.
- Proposals are to be prepared on standard 8-1/2" x 11" paper. Foldouts containing charts, spreadsheets, and oversize exhibits are permissible. The pages should be placed in a binder with tabs separating the sections of the proposal. Manuals and other reference documentation may be bound separately. All responses, as well as any reference materials presented must be written in English.
- Proposals must respond to the RFP requirements by restating the number and text of the requirement in sequence and writing the response immediately after the requirement statement.
- Figures and tables must be numbered and referenced in the text by that number. They should be placed as close to possible to the referencing text. Pages must be numbered consecutively within each section of the proposal showing proposal section and page number.
- Proposals shall be based only on the material contained in this RFP. The RFP includes official responses to pre-proposal conference questions, addenda, and any other material published by the State pursuant to the RFP. The offeror is to disregard any previous draft materials and any oral representations it may have received. All responses to the requirements in Sections [list appropriate section] if this RFP must clearly state whether the proposal will satisfy the referenced requirements, and the manner in which the requirement will be satisfied.

3.11 Cost Proposal

This should contain all costs to the agency and be presented in the format described by the RFP. For example: the RFP may require detailed costs by tasks and to be acceptable the offeror must present it in that format. Generally, cost proposals are submitted in a *separate sealed envelope* marked *Confidential Cost Proposal* to be opened only after the evaluation of the technical section of the proposal is complete.

Suggested Wording: The offeror shall submit a cost proposal in a separate sealed envelope marked *Confidential Cost Proposal*. The Cost Proposal shall be opened only after the technical portion of the proposal has been evaluated.

3.12 Method of Evaluation and Award

- 3.12.1 Evaluation Criteria The RFP must state in general terms all of the evaluation factors and their relative importance, including price. Points assigned to each criterion are usually included in the RFP. Including points makes offerors aware of which items are relatively more important than others can influence an offeror in the preparation of their RFP response.

Suggested Wording: An Evaluation Team composed of representatives of the State of Idaho will review the proposals. The criteria listed below will be used to evaluate proposals for the purpose of ranking them in relative position based on how fully each proposal meets the requirements of this RFP.

Evaluation Criteria	Points
Mandatory Requirements	Pass-or-Fail
Technical Capability and Solution Approach	300
Understanding of project requirements	
Ability to meet timelines	

Other	
Managerial and Staff Capability	300
Past performance (experience)	
Key personnel	
References	
Other	
Cost	400
Maximum Total Points	1000

- 3.12.2 Discussions and Best and Final Offers Detailed information is provided as a part of the cover instructions provided by the Division of Purchasing. Suggested wording to use here:

BEST AND FINAL OFFERS: The State may, at its sole option, either accept an offerors initial proposal by award of a contract or enter into discussions with offerors whose proposals are deemed to be reasonably susceptible of being considered for award. After discussion are concluded a offeror may be allowed to submit a "Best and Final Offer" for consideration.

- 3.12.3 Negotiations Detailed information is part of the cover instructions provided by the Division of Purchasing when an RFP is released. Use the following suggested wording here:

NEGOTIATIONS: The State may, in it's best interests, may elect to enter into negotiations with the apparent low responsive and responsible bidder.

3.13 Attachments

This section is for any additional information that relates to the RFP and is necessary to further clarify contents of the RFP. Any charts, diagrams, or graphs referenced in the RFP would be placed here. Information technology diagrams, such as LAN or WAN diagrams, would appear here.

4. EVALUATION

Evaluating an RFP can be the hardest part of the procurement process and is the most important. A well-crafted evaluation plan can make this process go much smoother and result in a contract agreeable to both parties.

By this point in the process, evaluation criteria have already been identified and a point or rating system developed (Sec. 2.4 to 2.6 above). An evaluation team has been chosen (Sec. 2.7). This section will discuss the actual evaluation process in detail. A Model Evaluation Plan is available at the Division of Purchasing website.

4.1 The Evaluation Process

The evaluation process is divided into four main phases and two optional ones. In addition to an overall description of each phase, detailed guidelines for completing each phase are presented. Samples of scoring/rating documents are contained in the Model Evaluation Plan, available on the Division of Purchasing website. The evaluation process is made up of:

- Evaluation of Mandatory Technical Requirements
- Evaluation of Technical Proposals
- Evaluation of Cost Proposals
- Ranking and Selection

- Optional Discussions and Best and Final Offer
- Optional Negotiations

4.1.1 Responsibilities of the Evaluation Team Chairperson

The State will conduct the evaluation process through an Evaluation Team, a Evaluation Team Chairperson, and possibly an assistant. The Evaluation Team will be composed of Department staff, other State staff, and/or other State-identified parties. The Evaluation Team Chairperson may be from the Division of Purchasing staff, the department management or other State staff.

The Evaluation Team Chairperson will accept raw scores from the Evaluation Team and conduct the final scoring. The Evaluation Team Chairperson will be responsible for ensuring that the evaluation plan is followed and that scoring decisions are sound and defensible. The Evaluation Team Chairperson will work closely with the Division of Purchasing and will resolve any compliance issues, perform the final ranking of the proposals, and make a recommendation to the State for the award of the contract. Other State agencies may observe or participate in the evaluation and selection activities. The State reserves the right to alter the composition of these committees or their specific responsibilities and to use its consultants in evaluation support activities.

4.1.2 Responsibilities of the Evaluators

Individuals selected as evaluators are responsible for the execution of the technical components evaluation as defined in this manual. Specifically, evaluators or a selected subset of evaluators will apply the pre-established procedures and criteria to determine if each bidder's technical components are responsive and rate each of the evaluation categories. An RFP Evaluator's Handbook is available at the Division of Purchasing website that may be given to evaluators for review.

Evaluators are encouraged not to put their names on the evaluation forms. Rather, they should use a number or a letter of the alphabet to identify themselves.

4.1.3 Security and Confidentiality

Throughout all phases of the evaluation, the confidentiality and security of proposals and the scoring process must be maintained. To ensure confidentiality and security, evaluation sessions will be closed to the public and State staff who are not supporting the Evaluation Team.

The evaluators shall not discuss the contents of this manual, submitted proposals, or the procurement activities with any persons outside of scheduled meetings of the evaluators.

All evaluators and all other State staff involved in the evaluation effort must strictly adhere to the following requirements.

- Communications between evaluators and the bidder organizations shall be restricted from the date of RFP release through contract signing, except as necessary to complete evaluation activities. Evaluators are not permitted to discuss the procurement or evaluation process with any other State staff or potential or actual bidders. Discussions are limited to prescribed time periods until selection of the successful bidder.
- Evaluators shall not communicate the scoring outcomes or content of proposals and shall not disclose the status of any proposal.
- Cost components shall be evaluated upon the completion of the scoring of the

technical components.

4.2 Evaluation of Mandatory Technical Requirements

The purpose of this phase is to determine whether each proposal is sufficiently responsive to the RFP to permit its complete evaluation. Selected evaluators or a person designated by the State will review each proposal to determine whether it complies with the requirements of the RFP. Using predefined checklists, compliance criteria are evaluated on a pass-or-fail basis.

The Department reserves the right to waive minor irregularities or to request compliance from bidders with the mandatory proposal submission requirement, but generally, any proposal that fails to comply with proposal submission requirements may be rejected. Those proposals passing the compliance review will advance to the next phase, which is a complete technical evaluation.

4.2.1 Evaluation Procedure

Following the deadline for receipt of proposals, each proposal package is opened. Proposals submitted should include two distinct sections: 1) Business/Technical Proposal and 2) a Cost Proposal. The Cost Proposal will be evaluated after the total points have been calculated for the Business/Technical Proposal.

Evaluator ID numbers and bidder IDs are entered on evaluation documents to track completion of each proposal and ensure adequate control throughout the process.

During the evaluation of the Mandatory Requirements, evaluators determine whether the technical components are sufficiently responsive for evaluation. A checklist should be used to evaluate compliance with requirements stated in the RFP (see sample page 26). The results will be summarized. All completed checklists are kept as part of the purchasing record.

The compliance requirements are not assigned a point score. Evaluators simply record PASS or FAIL for each numbered item. A PASS score is assigned to each item for which the response to the question(s) defined in the item is "Yes." In the event that any item receives a FAIL score or for some reason cannot be evaluated, an explanation of the problem or concern and the corresponding question number must be provided and made part of the record.

If any component receives a FAIL score (a "No" response) on any item or contains an item which for some reason cannot be evaluated, it shall be deemed as non-responsive. Any technical component that is non-responsive or in which there are inconsistencies or inaccuracies may be rejected. The Evaluation Team Chairperson will be responsible for examining any discrepancies found by the Evaluation Team and determining whether a proposal will be rejected as non-responsive or if it will request corrective action, clarification, or compliance from the bidder. The Evaluation Team Chairperson will notify the Division of Purchasing for a final determination and action.

Corrections to proposal material may be requested, in writing, and a limited time period for their receipt may be defined to ensure timely evaluation of the full proposal or to allow for its rejection for noncompliance. A correction requested from one bidder does not establish a right or opportunity for any other bidder to submit questions or clarifications. Corrections shall be limited to only those requested by the Evaluation Team Chairperson. If no resolution is determined, the entire proposal may be rejected as non-responsive.

4.3 Evaluation of Technical Proposals

The purpose of this phase is to measure the individual merits of the technical components of the

proposal against pre-established criteria. Members of the Evaluation Team will review and score all Technical Proposals that pass the Mandatory Technical Requirements.

The technical evaluation process includes the following steps:

- Initial evaluation and scoring of the technical components
- Reference checks
- Final scoring of the technical components
- Application of scoring weights and final technical points
- Comparative ranking of proposals

4.3.1 Initial Evaluation and Scoring of the Technical Components

The evaluation of technical components involves point scoring in each of four general areas. A maximum of (XXX) points is available for the technical portion of the bidder's proposal. The categories and the maximum points available for each category are: (for example)

Corporate Background and Experience	100
Organization and Staffing	50
Description of Approach	300
Status Reporting and Quality Control	<u>50</u>
TOTAL TECHNICAL POINTS	<u>500</u>

The evaluators will independently read and score the criteria in each of these categories to assess the completeness, quality, and desirability of bidder responses in the above areas and the components parts. Subgroups of evaluators, specific individuals, or all members of the Evaluation Team will score evaluation criteria within each of these areas. Any questions or parts of the proposal that require clarification are identified, in writing, for discussion by the Evaluation Team Chairperson and the Division of Purchasing.

Each criterion is point-scored by evaluators. Scoring reflects individual, independent evaluations of a proposal and response to criteria. Criteria include questions or items for consideration for evaluators to use as a guide in determining their raw score assignments. In addition, each criterion carries a pre-assigned weight that defines its relative importance to other criteria within an area. The Evaluation Team will not have access to these weights during their evaluation.

Evaluators are encouraged to request technical support from the Evaluation Team Chairperson or from the Division of Purchasing in preparation for criteria scoring. Any requests for technical support should be submitted in writing to the Evaluation Team Chairperson. The Evaluation Team Chairperson will provide written responses to all members of the Evaluation Team.

4.3.2 Reference Checks

The purpose of contacting references is to verify the corporate capabilities and prior performance of the bidder and the qualifications of proposed project personnel. Reference checks are made by telephone. State staff designated to assist the Evaluation Team Chairperson will contact the customer references identified by the bidder. The results of the reference checks are compiled and provided to each evaluator to assist in scoring specific criteria.

All questions must be relevant for all references. All questions must be asked to all references for all bidders and should be structured to assist the evaluators as they gather

information from each reference and to support follow-up questioning on selected reference responses.

4.3.3 Final Scoring of the Technical Components

After scoring all criteria for each proposal and using input from reference checks, each evaluator has the opportunity to review the scoring results for each evaluated proposal and to adjust proposal scores, if necessary. This process allows the evaluator to confirm or adjust the relative scores given to each proposal and to neutralize the effects that may have developed based on the initial order in which proposals were evaluated.

After all evaluators have completed their scoring, the evaluators will meet as a group to discuss each proposal, individual evaluator scores, and any scoring variances in excess of three points. The purpose of this final review is to ensure that the evaluators have neither misunderstood nor missed information in a proposal or reference check. Evaluators are given the opportunity to revise their scores based on discussions during the final review discussion if they choose. The objective of the review process is to share information, **not** to obtain consensus scores from all evaluators. The Division of Purchasing will mediate these discussions with the Evaluation Team Chairperson.

4.3.4 Application of Scoring Weights and Final Technical Points

After the final review, the Evaluation Team Chairperson will record the raw scores from each evaluator, calculate an average score, and multiply the result by the pre-assigned weight for each criterion to yield a weighted score. The weighted scores are summed for each evaluated area to yield the total weighted score for each proposal. The total technical scores are then ranked and normalized to the maximum points (XXX) available for the technical components. To normalize the scores, the highest scoring proposal will receive (XXX) points. All remaining proposals will receive a percentage of (XXX) points based on their score in relation to the highest technical score.

4.3.5 Evaluation Procedure

Business/technical components are evaluated against pre-established criteria to measure each bidder's individual merits and responsiveness to RFP requirements in each of four categories. The evaluated areas are: (for example)

- Corporate Background and Experience.
- Organization and Staffing.
- Description of Approach.
- Status Reporting and Quality Control.

Proposal responses in the above categories are point-scored based on evaluation criteria. Reference checks should be performed early during the technical evaluation phase since their results will be applied to some of the evaluation criteria items. A sample guideline for reference checks is provided. All of these activities provide input to the evaluation process to clarify the proposal material. Individual scoring sheets will be distributed to the evaluators during evaluation training.

Evaluators are instructed to read through the proposal Executive Summary (if present) before beginning to evaluate and score detailed criteria. The material in the proposal introduction should provide all evaluators with a broad understanding of the entire proposal. In scoring individual responses within a section, evaluators may elect to review related topics within other sections of the proposal. Evaluators are restricted to evaluating information contained within the four corners of the proposal. Information not part of the

proposal may not be considered.

Evaluators will proceed according to the following steps to evaluate responses to each criterion:

1. Review the appropriate section of the RFP.
2. Locate the section(s) of the proposal where the criterion is addressed.
3. For each criterion, note the RFP sections referenced in this document.
4. Review and evaluate section(s) of the proposal.
5. For each criterion, evaluate and score the criterion based on the bidder's overall response to the requirements indicated for the criterion (see step 8). Some of the criteria have additional questions that **may** be considered in the evaluation.
6. Evaluate how well the bidder's responses in the referenced sections correlate with other pertinent sections of the RFP and the overall approach taken to address the technical components of the proposal.
7. Evaluate the criterion based on all information available that pertains to it directly or indirectly, including reference checks.
8. Assign a score to the criterion based on the evaluation of the bidder's capability to meet that criterion.

4.3.6 Scoring

Each criterion has a raw score assigned to it. Scores are assigned from a range of 0 to 10, as defined below:

- | | |
|---------|---|
| 0 | Unacceptable: Zero (0) points are awarded to firms in any category in which they fail either to provide any information or provide information which cannot be understood. |
| 3, 4 | Marginal: 3 or 4 points are awarded to responses considered to be marginally acceptable. The bidder has not fully established the capability to perform the requirement and has marginally described its approach.
For example:

The proposal reiterated a requirement, but offered no explanation of how or what was to be accomplished in the Technical Scope of Work.

The proposal offered an explanation of how or what was to be accomplished in the Technical Scope of Work but may have contained inaccurate statements or references which impacted their approach but did not fully negate the technical approach.

The proposal referred to the quality of their organization but the proposer did not supply adequate descriptions of his/her past experience/personnel or provided resumes of people or case histories of work experience that was not relevant. |
| 6, 7, 8 | Adequate to Good: Varying amounts of points are awarded if the technical proposal satisfies the requirement(s) and describes specifically how and /or what is to be accomplished in clear detail. For example:

The organizational, personnel and experience (Q&E) section of the proposal satisfies the requirement and provided information on the company's capabilities, personal resumes, and case history reports on prior similar type of efforts in clear detail including job names, job responsibilities and types of assignment and the organization people and |

experience are adequate to good for the job.

The technical proposal satisfies the requirement and describes specifically how and/or what is to be accomplished, including sample products and illustrative materials (i.e. diagrams, charts, graphs, etc.) where appropriate.

- 10 **Outstanding:** 10 points are awarded if the proposal satisfies the requirements and describes specifically how and what will be accomplished in a superior manner, both quantitatively and qualitatively for their technical approach and the quantity and quality of their previous similar jobs and the experience and training of their personnel. For example:

The proposal provided an innovative, detailed, cost-saving approach or established by references and presentation of material far superior capability in this area.

Note that 1, 2, 5 or 9 points are not used. The purpose is to create differences among the scores awarded in order to separate the proposals and help create meaningful rankings. **Fractional values are not used for the same reason.**

Any missing scores will be returned for scoring or for verification of the evaluator's intent not to score a criterion due to lack of sufficient knowledge or information to score. If an evaluator chooses not to score an item, the evaluator must so note the decision in the comments section for that criterion to confirm the action was intentional.

Scoring within the ranges listed above allows evaluator's scoring decisions to both reflect their assessment of the bidder's overall written response to each criterion and to address positive or negative impressions of the quality of the bidder's overall approach to that area.

The scoring sheets contain a section for evaluator's comments. Evaluators are strongly encouraged to use this space to indicate any discrepancies, omissions, or items proposed that were not specified in the RFP and to indicate circumstances that led to the raw score assignment. Comments can be positive or negative. Do not mark on or in the proposals.

A separate evaluation scoring sheet is completed for each criterion by each evaluator. Scoring sheets are completed for each proposal separately.

The scoring sheets are grouped together in a proposal-specific package and held until a final review session. When scoring is completed, the evaluator signs and dates the scoring package cover sheet and turns in the evaluation documents with the proposal.

Evaluators are encouraged to request technical support in scoring proposals or may skip criteria where they have no basis or expertise for evaluating bidder responses. Written requests to bidders may be issued by the Division of Purchasing to assist evaluators in obtaining clarifications of proposal materials to aid in scoring each proposal.

4.3.7 Comparative and Final Reviews

When all evaluators have finalized their individual scoring, a review session is held for the team of evaluators to discuss findings. Any inconsistencies among sections or proposal material should be pointed out or become apparent during this review session. At the end of this review session, evaluators have the opportunity to adjust their scores. It

is acceptable for scores to remain unchanged. Any revised scoring should be explained in the comments section. No attempt is made to establish a consensus in the scoring. This review will be mediated by the Division of purchasing with the Evaluation Team Chairperson.

After each evaluator is confident of the final raw score for each item in the evaluation package, the scoring sheets are submitted to the Evaluation Team Chairperson for the application of criteria weights.

4.3.8 Alternative Consensus Method

An alternative methodology for evaluating proposals is by using consensus. All evaluators would meet at the same time and place and review the proposals one at a time. The Evaluation Team would reach a consensus score for each criterion being evaluated and only fill out one 91) evaluation scoring sheet. The Evaluation Team Chairperson would be responsible for totaling all scores and applying any weighting factors.

4.3.9 Weighted Scoring

The Evaluation Team Chairperson will accept the final raw scores for each criterion from the Evaluation Team members, add the raw scores for the item, and compute a raw average score calculated to two significant places (e.g., 7.25). The denominator used to calculate the raw average score for an item is equal to the number of evaluators that scored that item. A predetermined item weight is applied to the average raw score calculated for each item. The result of multiplying the item weight times the average raw score is the final weighted score for an item. The sum of the weighted scores in an area is the total weighted score for that category.

Weighted scoring sheets, by item within category, will be distributed to the Selection Committee during evaluation training.

The maximum weighted points available by category are: (for example)

Corporate Background and Experience	100
Organization and Staffing	50
Description of Approach	300
Status Reporting and Quality Control	<u>50</u>
TOTAL TECHNICAL POINTS	<u>500</u>

The total weighted scores for each proposal are normalized by prorating the point total based on the individual bidder's weighted score to the highest scoring bidder's weighted score. The formula is:

$$y = \left(\frac{n}{x}\right) \times z$$

where:

n	=	The technical score awarded to this bidder
x	=	The highest technical score awarded to any bidder
y	=	The technical points for this bidder
z	=	The total technical points available

Use of the formula gives the total available technical points to the highest scoring bidder.

The Technical Components Evaluation Scoring Summary sheet displays the final technical score for each bidder. See sample form on page 24.

4.4 Evaluation of Cost Proposals

After the final scoring of the technical components, the Selection Committee and/or its designee will begin its review of the cost components. The Selection Committee will first review the Mandatory Requirements Checklist Summary to determine if any bidders received a passing or failing score in their mandatory submission requirements. If any bidder's proposal is incomplete, contains inaccuracies, or deviates from the RFP-prescribed format, the proposal may be rejected.

If no discrepancies are found on any of the cost components, the Selection Committee and/or its designee will evaluate the cost components to calculate the total cost. XXX are then assigned to the bidder with the lowest total cost. Points for the other bidder's cost are normalized to this bidder and point scores are assigned accordingly.

4.4.1 Evaluation Procedure

After the Evaluation Team Chairperson has weighted and normalized the business/technical scores submitted by the Evaluation Team, the Evaluation Team Chairperson will evaluate the corresponding cost components section. The Evaluation Team Chairperson may designate other State staff to perform some of the cost evaluation. Cost components are examined to determine whether:

- They meet compliance requirements.
- They are consistent with the corresponding technical components.
- All calculations are correct.

After the total cost has been calculated for each bidder, the Evaluation Team Chairperson will review the results and then determine the final cost components evaluation points.

The evaluation points are calculated by normalizing the cost results. Use of the Cost Components Evaluation Scoring Summary (see sample page 24) will assist evaluators to award points based on the lowest acceptable cost received and compare other bidder's cost components. The lowest acceptable cost is awarded XXX points.

Points for other bidders' cost components are normalized to the lowest costs using the formula:

$$y = \left(\frac{x}{n} \right) \times z$$

where:

- n = The total evaluated cost for this bidder
- x = The lowest evaluated cost submitted by any bidder
- y = The evaluation cost points for this bidder
- z = The total evaluation cost points available

Scoring summary sheets will be distributed to the Selection Committee during evaluation training.

Final scores will then be reported on the Summary Scoring and Ranking Document and

ranked to determine the apparently successful bidder. See sample on page 25.

The Department reserves the right to reject all proposals if the costs exceed budget constraints.

4.4.2 Applying Reciprocal Preference

The Idaho Reciprocal Preference Law (I.C. 67-2349) must be considered when reviewing cost proposals. This law applies to any department, division, bureau or agency thereof, city, county, school district, irrigation district, drainage district, sewer district, highway district, good road district, fire district, flood district, or other public body that solicits competitive bids.

Some states and countries provide a preference for vendors within their borders and add a percentage to bids received from outside states. Where that happens, the State of Idaho responds (reciprocates) in like manner by adding the same percentage to bids received from vendors who are "domiciled" in those states or countries. This applies to the purchases of materials, supplies, equipment, or services.

In determining the lowest responsible bidder, a percentage increase should be added to each out-of-state bidder's bid price, which is equal to the percent of preference given to local bidders in the bidder's home state. That is, if the low bidder is from a state that grants a 10 percent preference to its own in-state bidders, the Idaho agency must add 10 percent to that bidder's price when evaluating the bid. It is only applied to bid evaluations when comparing bids from Idaho "domiciled" vendors with bids from out-of-state vendors with a preference in their state. There is no need to apply any percentage when comparing one out-of-state bid with another out-of-state bid. In no instance will the increase (penalty percentage) actually be paid to a vendor whose bid is accepted.

The Evaluation Team Chairperson shall be responsible for identifying and applying and reciprocal preference percentages to the cost proposals. Preferences are applied before normalizing of costs and awarding of points. Information on state and country preferences is available at the Division of Purchasing web site (www2.state.id.us/adm/purchasing) and in the State of Idaho Purchasing Reference Guide (Appendix A-2).

4.5 Ranking and Selection

The normalized scores for the technical and cost components for each bidder are summed and the proposals are ranked by final total score. The contract award recommendation of the Evaluation Team Chairperson is determined based on the bidder with the highest scoring submitted proposal.

4.5.1 Evaluation Procedure

The ranking and selection of proposals begins after the cost section evaluation and scoring are complete.

The Evaluation Team Chairperson records the final technical components and cost components scores for each bidder, combines the scores and then assigns a rank for each proposal.

The Evaluation Team Chairperson reviews this final ranking and the pertinent evaluation materials in making a recommendation for selection. The highest-

ranking, responsive bidder is recommended for contract award. The Division of Purchasing will review the recommendation of the Evaluation Team Chairperson and make the final approval for contract award. Every effort will be made by the State, both before and after selection, to facilitate rapid approval and an early start date to the selected contractor. See sample Summary Scoring and Ranking document on page

4.6 Discussions and Best and Final Offer

After scoring the proposals, the evaluation team may determine that the proposals need further clarification and possible revision. Usually this happens because the RFP was not clear in communicating the needs of the state or all offerors responses in a particular area were unclear. If it clearly is in the best interests of the state, discussions with offerors and requests for Best and Final Offers are allowed. The following procedures must be followed.

After the proposals have been scored, they classified as acceptable, potentially acceptable (that is reasonably susceptible of being made acceptable), or unacceptable. Discussions with offerors are only conducted with proposals determined as being acceptable or potentially acceptable. After discussions are concluded it may be necessary to reunite the evaluation team and rescore the proposals.

- 4.6.1 Purpose of Discussion: Discussions are held to facilitate and encourage an adequate number of potential offerors to offer their best proposals, by amending their original offers, if needed. It is important to note that discussions are not negotiations, merely face-to-face meetings to obtain clarification (s) of the proposals.
- 4.6.2 Conduct of Discussions: All offerors must be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. Procedures and schedules for conducting discussions should be established. If during discussions there is a need for clarification or change of the Request for Proposals, it shall be amended to incorporate such clarification or change. Auction techniques (revealing one offeror's price to another) and disclosure of any information derived from competing proposals are prohibited. Any oral clarification or change of a proposal shall be reduced to writing by the offeror.
- 4.6.3 Best and Final Offer: A time and date for submission of best and final offers must be set. Best and final offers shall be submitted only once unless there is a written determination before each subsequent round of best and final offers demonstrating another round is in the agency's interest, and additional discussions will be conducted or the agency's requirements will be changed. Otherwise, no discussion of, or changes in, the best and final offers shall be allowed prior to award. Offerors shall also be informed that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

4.7 Negotiations

Negotiations are generally used in an RFP when it has been determined, during the evaluation process, that more than one (1) vendor has submitted an acceptable proposal and negotiations could secure advantageous terms or reduced cost for the state. The conditions of use for negotiations are as follows:

- The solicitation must specifically allow for the possibility of negotiation and describe, with as much specificity as possible, how negotiations may be conducted
- Submissions shall be evaluated and ranked based on the evaluation criteria in the

solicitation

- Only those vendors whose proposals or bids are determined to be acceptable, in accordance with criteria for negotiations set forth in the solicitation, shall be candidates for negotiations
- Negotiations shall be conducted first with the vendor that is the apparent low responsive and responsible bidder
- Negotiations shall be against the requirements of and criteria contained in the solicitation and shall not materially alter those criteria, the specifications or scope of work
- Auction techniques (revealing one vendor's price to another) and disclosure of information derived from competing proposals is prohibited
- Any clarifications or changes resulting from negotiations shall be documented in writing;
- If the parties to negotiations are unable to agree, the administrator shall formally terminate negotiations and may undertake negotiations with the next ranked vendor; and
- If negotiations as provided for in this rule fail to result in a contract, as determined by the administrator, the solicitation may be cancelled and the administrator may negotiate in the best interest of the state with any qualified vendor
- If conducted, negotiations are the last step in the procurement process. Use of oral interviews or best and final procedures, as provided for in a solicitation, must precede negotiations as provided for in this rule.

4.8 Contract Award

After discussions and best and final offer and negotiations, if used, the chairperson of the evaluation team will tabulate and submit award recommendation to the agency and Division of Purchasing. The Division of Purchasing will produce all final contract documents.

Sample Technical Section Evaluation Scoring Summary

Bidder Identification	n = Technical Score Awarded to This Bidder	x = Highest Technical Score Awarded to Any Bidder	Technical Points Awarded to This Bidder $y = \left(\frac{n}{x} \right) \times z$
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Sample Cost Components Evaluation Scoring Summary

Bidder Identification	n = Total Evaluated Cost Submitted by This Bidder	x = Lowest Evaluated Cost Submitted by Any Bidder	Cost Points Awarded to This Bidder $y = \left(\frac{x}{n} \right) \times z$
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Sample Summary Scoring and Ranking Document

Signature of the Evaluation Team Chairperson: _____

Bidder Identification	Final Technical Components Evaluation Points	Final Cost Components Evaluation Points	Final Combined Total Points	Rank (Highest = 1)

Sample Mandatory Requirements Checklist

Mandatory Requirements Checklist
Proposal Submission Requirements
(No)

Results
Pass (Yes) Fail

1. ?

2. ?

3. ?

4. ?

5. ?

6. ?

Comments:

Bidder's ID:

Evaluator's ID Number:

Sample Evaluation Criteria - Technical Components

There needs to be one of these pages for each evaluated item)

Evaluation Category: Corporate Background and Experience
Criteria Topic: Prior Experience and References
RFP References: Section xxx.

Evaluation Criteria:

1. To what extent does the bidder describe prior specific experience in providing the functions described in Section X of the RFP?

Consider:

- a. Provide points for the evaluator to consider in evaluating this criteria making sure no new or additional requirement is made here that is not in the RFP.
- b.
- c.

Comments:

Sample Reference Check Guidelines

For Prime Contractors (Bidders)

- Bidder Name: _____
- Company/Organization Contacted: _____

- Name of Person Contacted: _____
Telephone: _____
Date and Time: _____
- State Person Completing Form: _____

(Reference RFP, Section XX.)

1. Confirm the information provided by the bidder regarding experience provided in Section XX of the RFP by the bidder or referenced subcontractor.

2. Confirm the information provided by the bidder regarding prior experience in performing functions described in Section XX of the RFP. Experience may be based on work performed by the bidder and subcontractors identified in the bid response.

3. How long has the bidder performed the functions described for your organization? Are they still under an active contract?

-
-
4. Was the project or contract on time and under budget? Please explain.

-
-
5. Would you use this bidder again? Yes _____ No
a. If **No**, why?

-
-
-
-
- b. If **Yes**, what would you do differently?

-
-
-
-
6. Who are some of the key people of the bidder assigned to your contract? What is or was their function?

-
-
-
-
7. On a scale of 1 to 10 (1 = lowest, 10 = highest), how would you rate the bidder?

Rating: _____ Please comment on the overall rating:

8. Do you know of other recent accounts that have used this bidder for similar functions?

Overall comments of State person making call:

Sample Mandatory Requirements Summary Checklist

Mandatory Requirements Checklist

Results

Cost Components

Pass (Yes) Fail

(No)

1. Are the cost schedules submitted on the form (Cost Sheet)
presented in Section XX of the RFP?

2. Are all cost and percentages(if called for) provided?

Add additional questions as appropriate.

Comments:

Mandatory Requirements Checklist Summary (No)

Overall Results
Pass (Yes) Fail

For:

• Cost Components

Reject Accept

Accept or Reject Bid for Further Cost Evaluation

Comments:

Bidder's ID:

Evaluator's ID Number:

5. Division of Purchasing Rules Regarding Request For Proposals

IDAPA 38.05.01

051. CONTENT OF THE INVITATION TO BID OR REQUEST FOR PROPOSALS.

The following shall be included in an invitation to bid or a request for proposals:

01. Submission Information. Information regarding the applicable opening date, time and location.

02. Specifications. Specifications developed in accordance with these rules including, if applicable, scope of work.

03. Contract Terms. Terms and conditions applicable to the contract.

04. Evaluation Criteria. Any evaluation criteria to be used in determining property acceptability.

05. Trade-In Property. If trade-in property is to be included, a description of the property and location where it may be inspected.

06. Incorporation By Reference. A brief description of any documents incorporated by reference that specifies where such documents can be obtained.

052. CHANGES TO INVITATION TO BID OR REQUEST FOR PROPOSALS.

An invitation to bid or request for proposals may be changed by the buyer through issuance of an addendum, provided the change is issued in writing prior to the bid opening date and is made available to all vendors receiving the original solicitation. Any material information given or provided to a prospective vendor with regard to an invitation to bid or request for proposals shall be made available in writing by the buyer to all vendors receiving the original solicitation. Oral interpretations of specifications or contract terms and conditions shall not be binding on the division unless confirmed in writing by the buyer and acknowledged by the division prior to the date of the opening. Changes to the invitation to bid or request for proposals shall be identified as such and shall require that the vendor acknowledge receipt of all addenda issued. The right is reserved to waive any informality.

053. PRICE ESCALATION.

Contractors shall not be entitled to price escalation except where specifically provided for in writing in the contract or purchase order.

061. FORM OF SUBMISSION.

01. Manual Submissions. Unless otherwise provided in these rules, to receive consideration, in addition to any specific requirements set forth in the invitation to bid or request for proposals, bids or proposals submitted manually must be made on the form provided, which form must be properly completed and signed in ink. Photocopy or facsimile signatures will be rejected. All changes or erasures shall be initialed in ink. Unsigned or improperly submitted bids or proposals will be rejected. Telegraphed, telephonic or facsimile submissions will not be accepted except for emergency and small purchases. The purchasing activity does not assume responsibility for failure of any equipment.

02. Electronic Submissions. To receive consideration, in addition to any specific

requirements set forth in the invitation to bid or request for proposals, bids or proposals submitted electronically must be submitted in accordance with and meet all applicable requirements of these rules. The purchasing activity does not assume any responsibility for failure of any computer or other electronic equipment.

071. PRE-OPENING WITHDRAWAL OR MODIFICATION.

Manual submissions may be withdrawn or modified only as follows: Bids or proposals may be withdrawn or modified prior to the closing by written communication signed in ink by the submitting vendor. Bids or proposals may be withdrawn prior to closing in person upon presentation of satisfactory evidence establishing the individual's authority to act on behalf of the submitting vendor. Bids or proposals may be withdrawn or modified by telegraphic communication provided the telegraph is received prior to the closing. The withdrawal or modification, if done via telegraph, must be confirmed in writing signed in ink. The written confirmation must be mailed and postmarked no later than the closing date. If the written confirmation of the withdrawal or modification is not received within two (2) working days from the closing date, no consideration will be given to the telegraphic modification. Any withdrawing or modifying communication, including a telegram, must clearly identify the solicitation. A modifying letter or telegram should be worded so as not to reveal the amount of the original bid or proposal. No other form of withdrawal or modification (e.g., telephone or facsimile) will be accepted.

072. LATE BIDS/PROPOSALS, LATE WITHDRAWALS AND LATE MODIFICATIONS.

Any bid or proposal, withdrawal or modification received after the time and date set for opening at the place designated for opening is late. No late bid or proposal, late modification or late withdrawal will be considered. All late bids, other than clearly marked "no bids", will be returned to the bidder. Time of receipt will be determined by the official time stamp or receipt mechanism located at the purchasing activity. The purchasing activity does not assume any responsibility for failure of any delivery services or means or for the failure of any computer or other electronic equipment.

073. RECEIPT, OPENING, AND RECORDING OF BIDS AND PROPOSALS.

Upon receipt, all bids, proposals and modifications properly marked and identified will be time stamped, but not opened. They shall be stored in a secure place until bid opening time. Time stamping and storage may be through electronic means. Bids shall be opened publicly at the date and time specified in the invitation to bid. Proposals shall be opened publicly, identifying only the names of the offerors unless otherwise stated in the request for proposals. Bid and proposal openings may be electronic virtual openings.

074. MISTAKES.

The following procedures are established relative to claims of a mistake.

01. Mistakes In Bids. If a mistake is attributable to an error in judgment, the submission may not be corrected. Correction or withdrawal by reason of an inadvertent, nonjudgmental mistake is permissible, but at the discretion of the administrator and to the extent it is not contrary to the interest of the division or the fair treatment of other submitting vendors.

02. Mistakes Discovered Before Opening. Mistakes detected prior to opening may be corrected by the submitting vendor by submitting a timely modification or withdrawing the original submission and submitting a corrected submission to the purchasing activity before the opening.

03. Mistakes Discovered After Opening But Before Award. This subsection sets forth procedures to be applied in three (3) situations described below in which mistakes are discovered after opening but before award.

a. **Minor Informalities.** Minor informalities are matters of form rather than substance evident from the bid or proposal document, or insignificant mistakes that can be waived or

corrected without prejudice to other submitting vendors, that is, the effect of the mistake on price, quantity, quality, delivery or contractual conditions is not significant. The buyer may waive such informalities. Examples include the failure of a submitting vendor to:

- i. Return the required number of signed submissions.
- ii. Acknowledge the receipt of an addendum, but only if:
 - (1) It is clear from the submission that the submitting vendor received the addendum and intended to be bound by its terms; or
 - (2) The addendum involved had a negligible effect on price, quantity, quality or delivery.

b. **Mistakes Where Intended Submission is Evident.** If the mistake and the intended submission are clearly evident on the face of the document, the submission shall be corrected to the intended submission and may not be withdrawn. Examples of mistakes that may be clearly evident on the face of the document are typographical errors, errors in extending unit prices (unit prices will always govern in event of conflict with extension), transposition errors and arithmetical errors.

c. **Mistakes Where Intended Submission is not Evident.** A vendor may be permitted to withdraw a low bid if:

- i. A mistake is clearly evident on the face of the submission document but the intended submission is not similarly evident; or
- ii. The vendor submits timely proof of evidentiary value that clearly and convincingly demonstrates that a mistake was made.

04. Mistakes Discovered After Award. Mistakes shall not be corrected after award of the contract.

05. Written Approval Or Denial Required. In the event of a mistake discovered after the opening date, the administrator shall approve or deny, in writing, a request to correct or withdraw a submission.

081. EVALUATION AND AWARD.

Any contract award shall comply with these provisions.

01. General. The contract is to be awarded to the lowest responsible and responsive bidder or offeror. The solicitation shall set forth the requirements and criteria that will be used to make the lowest responsive and responsible determination. No submission shall be evaluated for any requirements or criteria that are not disclosed in the solicitation.

02. Standards Of Responsibility. Nothing herein shall prevent the buyer from establishing additional responsibility standards for a particular purchase, provided that these additional standards are set forth in the solicitation. Factors to be considered in determining whether a vendor is responsible include whether the vendor has:

- a. Available the appropriate financial, material, equipment, facility and personnel resources and expertise, or the ability to obtain them, necessary to indicate capability to meet all contractual requirements;
- b. A satisfactory record of integrity;

- c. Qualified legally to contract with the purchasing activity and qualified to do business in the state of Idaho;
- d. Unreasonably failed to supply any necessary information in connection with the inquiry concerning responsibility;
- e. Experience; or
- f. A prior performance record, if any.

03. Information Pertaining To Responsibility. A submitting vendor shall supply information requested by the buyer concerning its responsibility. If such submitting vendor fails to supply the requested information, the buyer shall base the determination of responsibility upon any available information or may find the submitting vendor nonresponsible if such failure is unreasonable.

04. Written Determination of Nonresponsibility Required. If a submitting vendor that otherwise would have been awarded a contract is found nonresponsible, a written determination of nonresponsibility setting forth the basis of the finding shall be prepared by the buyer.

05. Extension Of Time For Acceptance. After opening, the buyer may request submitting vendors to extend the time during which their bids or proposals may be accepted, provided that, with regard to bids, no other change is permitted. The reasons for requesting such extension shall be documented.

06. Partial Award. A buyer shall have the discretion to award on an all or nothing basis or to accept any portion of a bid, excluding others, unless the bidder stipulates all or nothing in its bid.

07. Only One Submission Received. If only one (1) responsive submission is received in response to a solicitation, an award may be made to the single submitting vendor. In addition, the buyer may pursue negotiations in accordance with applicable conditions and restrictions of these rules. Otherwise, the solicitation may be rejected and:

- a. New bids or offers may be solicited; or
- b. The proposed acquisition may be canceled.

082. TIE BIDS.

The following provisions shall apply to tie bids as defined herein.

01. Tie Bids - Definition. Tie bids are low responsive bids from responsible bidders that are identical in price or score.

02. Award. Award shall not be made by drawing lots, except as set forth below, or by dividing business among identical bidders. In the discretion of the buyer, award shall be made in any permissible manner that will discourage tie bids. Procedures that may be used to discourage tie bids include:

- a. If price is considered excessive or for other reason such bids are unsatisfactory, reject all bids, rebid and seek a more favorable contract in the open market;
- b. Award to an Idaho resident or an Idaho domiciled bidder or for an Idaho produced product where other tie bid(s) are from out of state or to a bidder submitting a domestic product where other tie bid is for foreign (external to Idaho) manufactured or supplied property;

- c. Where identical low bids include the cost of delivery, award the contract to the bidder farthest from the point of delivery;
- d. Award the contract to the bidder who received the previous award and continue to award succeeding contracts to the same bidder so long as all low bids are identical;
- e. Award to the bidder with the earliest delivery date.

03. Drawing Lots. If no permissible method will be effective in discouraging tie bids and a written determination is made so stating, award may be made by drawing lots or tossing a coin in the presence of witnesses if there are only two (2) tie bids.

083. PROPOSAL DISCUSSION WITH INDIVIDUAL OFFERORS.

01. Classifying Proposals. For the purpose of conducting proposal discussions under this rule, proposals shall be initially classified as:

- a. Acceptable;
 - b. Potentially acceptable, that is reasonably susceptible of being made acceptable;
- or
- c. Unacceptable.

02. "Offerors" Defined. For the purposes of this rule, the term "offerors" includes only those persons submitting proposals that are acceptable or potentially acceptable. The term shall not include persons that submitted unacceptable proposals.

03. Purposes Of Discussions. Discussions are held to facilitate and encourage an adequate number of potential offerors to offer their best proposals, by amending their original offers, if needed.

04. Conduct Of Discussions. The solicitation document must provide for the possibility of discussions. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. The buyer should establish procedures and schedules for conducting discussions. If during discussions there is a need for clarification or change of the request for proposals, it shall be amended to incorporate such clarification or change. Auction techniques (revealing one offeror's price to another) and disclosure of any information derived from competing proposals are prohibited. Any oral clarification or change of a proposal shall be reduced to writing by the offeror.

05. Best And Final Offer. The buyer shall establish a common time and date for submission of best and final offers. Best and final offers shall be submitted only once unless the buyer makes a written determination before each subsequent round of best and final offers demonstrating another round is in the purchasing agency's interest, and additional discussions will be conducted or the agency's requirements will be changed. Otherwise, no discussion of, or changes in, the best and final offers shall be allowed prior to award. Offerors shall also be informed that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

084. NEGOTIATIONS.

In accordance with Section 67-5717(12), Idaho Code, the administrator may negotiate acquisitions as follows:

01. Price Agreements. The administrator may authorize and negotiate price agreements with vendors when such agreements are deemed appropriate. Price agreements

shall provide for termination for any reason upon not more than thirty (30) days' written notice. Price agreements may be appropriate when:

- a. The dollar value of items or transactions is relatively small;
- b. The property may not be conducive to standard competitive bidding procedures, such as automobile, truck or other equipment parts having individual low unit costs;
- c. There exists a need to establish multiple agreements with vendors supplying property that is similar in nature or function but is represented by different manufacturers or needed in multiple locations; or
- d. Non-exclusive agreements for periods not exceeding two (2) years are deemed necessary to establish consistent general business terms, including without limitation, price, use of catalogs, delivery or credit terms.

02. After A Competitive Solicitation. Negotiations may be used under this rule when the administrator determines in writing that negotiations may be in the best interest of the state and that:

- a. A competitive solicitation has been unsuccessful because, without limiting other possible reasons, all offers are unreasonable, noncompetitive or all offers exceed available funds and the available time and circumstances do not permit the delay required for resolicitation;
- b. There has been inadequate competition; or
- c. During the evaluation process it is determined that more than one (1) vendor has submitted an acceptable proposal or bid and negotiations could secure advantageous terms or a reduced cost for the state.

03. Examples. Examples of situations in which negotiations, as permitted by Subsection 084.02.c. of this rule, may be appropriate include but are not limited to:

- a. Ensuring that the offering vendor has a clear understanding of the scope of work required and the requirements that must be met;
- b. Ensuring that the offering vendor will make available the required personnel and facilities to satisfactorily perform the contract; or
- c. Agreeing to any clarifications regarding scope of work or other contract terms.

04. Conditions Of Use. Negotiations, as permitted by Subsection 084.02.c. of this rule, are subject to the following:

- a. The solicitation must specifically allow for the possibility of negotiation and describe, with as much specificity as possible, how negotiations may be conducted;
- b. Submissions shall be evaluated and ranked based on the evaluation criteria in the solicitation;
- c. Only those vendors whose proposals or bids are determined to be acceptable, in accordance with criteria for negotiations set forth in the solicitation, shall be candidates for negotiations;
- d. Negotiations shall be conducted first with the vendor that is the apparent low responsive and responsible bidder;

- e. Negotiations shall be against the requirements of and criteria contained in the solicitation and shall not materially alter those criteria, the specifications or scope of work;
- f. Auction techniques (revealing one vendor's price to another) and disclosure of information derived from competing proposals is prohibited;
- g. Any clarifications or changes resulting from negotiations shall be documented in writing;
- h. If the parties to negotiations are unable to agree, the administrator shall formally terminate negotiations and may undertake negotiations with the next ranked vendor; and
- i. If negotiations as provided for in this rule fail to result in a contract, as determined by the administrator, the solicitation may be cancelled and the administrator may negotiate in the best interest of the state with any qualified vendor.

05. Timing Of Use. If conducted, negotiations are the last step in the procurement process. Use of oral interviews or best and final procedures, as provided for in a solicitation, must precede negotiations as provided for in this rule.

091. ACCEPTANCE OR REJECTION OF BIDS AND PROPOSALS.

Prior to the issuance of a purchase order or contract, the administrator shall have the right to accept or reject all or any part of a bid or proposal or any and all bids or proposals when:

- 01. Best Interest.** It is in the best interests of the state of Idaho;
- 02. Does Not Meet Specifications.** The submission does not meet the minimum specifications;
- 03. Not Lowest Responsible Bid.** The submission is not the lowest responsible submission;
- 04. Bidder Is Not Responsible.** A finding is made based upon available evidence that a submitting vendor is not responsible or otherwise capable of currently meeting specifications or assurance of ability to fulfill contract performance; or
- 05. Deviations.** The item offered deviates to a major degree from the specifications, as determined by the administrator (minor deviations, as determined by the administrator, may be accepted as substantially meeting the requirements of the state of Idaho). Deviations will be considered major when such deviations appear to frustrate the competitive process or provides a submitting vendor an unfair advantage.

092. CANCELLATION OF SOLICITATION.

Prior to the issuance of a purchase order or contract, the purchasing activity reserves the right to reject all bids, proposals or quotations or to cancel a solicitation or request for quotation. In the event of the cancellation of an invitation to bid or request for proposals, all submitting vendors will be notified. Examples of reasons for cancellation are:

- 01. Inadequate Or Ambiguous Specifications.**
- 02. Specifications Have Been Revised.**
- 03. Cancellation Is In Best Interest Of State.**

093. NOTICE OF REJECTION.

Bidders or offerors whose bids or proposals are rejected as non-responsive will be notified in writing of the reasons for such rejection.